

# EXHIBIT 1

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

EDDYSTONE RAIL COMPANY,                    )  
LLC,    )  
                    Plaintiff/                        ) NO.2:17-CV-00495-  
                    Counter-defendant,            ) RK  
v.    )  
JULIO RIOS, JEREMY GAMBOA,                )  
BRIDGER LOGISTICS, LLC,                    )  
FERRELLGAS PARTNERS, L.P.,                )  
FERRELLGAS, L.P., et al.,                    )  
                    Defendants                        )  
BRIDGER LOGISTICS, LLC,                    )  
FERRELLGAS PARTNERS, L.P.,                )  
and FERRELLGAS, L.P.,                        )  
                    Defendants/  
                    Counterclaimants

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The videotaped and oral deposition of VINCENT ADRIAN PARADIS, in the above-styled suit, was taken pursuant to notice for discovery and/or evidentiary purposes, before Deanna DiPaolo, CSR(A), at the offices of Enbridge Inc., Calgary, Alberta, on November 30, 2018.

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1 VIDEOGRAPHER: Will the court  
2 reporter please swear in the witness.

3 VINCENT ADRIAN PARADIS, duly sworn.

4 EXAMINED BY MR. FIELDING:

5 Q. Good morning, Mr. Paradis, would you  
6 state your name for the record, please?

7 A. Vincent Adrian Paradis.

8 Q. Where do you presently reside?

9 A. In Calgary, Alberta.

10 Q. What's your address?

11 A. 2606 - 7th Avenue NW, Calgary, Alberta.

12 Q. Okay, what is your current job title at  
13 Enbridge?

14 A. Current job title is the director of  
15 regional business development and M&A.

16 Q. All right. How long have you been at  
17 Enbridge?

18 A. Thirty-one years.

19 Q. Long time. What prior responsibilities  
20 or jobs have you had at Enbridge besides your  
21 current one?

22 A. There's been plenty.

23 Q. I imagine.

24 A. Over 31 years.

25 Q. I imagine.

1 just, you know, you were involved obviously in the  
2 initial decision to invest in the Eddystone  
3 facility, but then on an ongoing basis, it seems  
4 like you continued to be involved in terms of  
5 monitoring the performance of that particular  
6 asset; is that right?

7 MR. AGUSTI: Objection, assumes  
8 facts not in evidence and misstates prior evidence.

9 A. No, I wasn't responsible for the  
10 original investment in Eddystone, either.

11 Q. MR. FIELDING: You weren't  
12 involved -- you weren't involved in that original  
13 investment --

14 A. No, nothing to do with it at all.

15 Q. -- analysis? Who was the one at  
16 Enbridge that took the lead and that was sort of  
17 the equivalent of the business development guy that  
18 took the lead on that deal in Enbridge?

19 A. I believe it was Kevin Hatfield's group  
20 that had that responsibility.

21 Q. Okay, when did you first get involved  
22 and become responsible in some way for the  
23 Eddystone facility?

24 A. I believe it was late 2014.

25 Q. Okay, and that was part of -- part of

1 your role when you were put in charge of monitoring  
2 the financial performance of the rail assets; is  
3 that correct?

4 A. That's correct.

5 Q. Okay, got it, all right. What is your  
6 opinion of the -- of Enbridge's -- with the benefit  
7 of hindsight, Enbridge's investment in the  
8 Eddystone facility?

9 A. My opinion is at the time we made the  
10 investment, it was the right thing to do.  
11 Unfortunately, and it's still playing out today,  
12 the market went sideways on us. And at the  
13 ultimate end of the day, with the benefit of  
14 hindsight, it was good in the short-term but not a  
15 good long-term investment.

16 Q. Okay. Is that the reason Enbridge got  
17 out of the deal?

18 MR. AGUSTI: Objection.

19 A. Enbridge got out of the deal because it  
20 wasn't any -- it wasn't -- it wasn't core to our  
21 business anymore. When we originally got into the  
22 business, we thought it would be a good springboard  
23 for other activities in the area, in the  
24 Philadelphia area.

25 Q. MR. FIELDING: Right.

1 Q. MR. FIELDING: Right, has that  
2 happened with other projects, that same kind of  
3 dynamic where Enbridge got into it and then  
4 realized things have changed where, "We need to get  
5 out rather than continue to play the long game"?

6 A. I'm not sure that it would be the exact  
7 same circumstance.

8 Q. Mm-hmm.

9 A. There's certainly other projects that we  
10 invested in where we invested in companies. As an  
11 example, the Olympic Pipeline or the Frontier  
12 Pipeline where we were not building, we bought in  
13 as an investor or a partner, we bought in for  
14 different reasons. And whether they were  
15 performing or not, I think they were performing, we  
16 decided to exit those projects.

17 Q. Okay, are you aware of other times, in  
18 this instance, obviously Enbridge has divested  
19 itself of this Eddystone facility now; correct?

20 A. That's correct.

21 Q. In fact, the only -- I mean though  
22 Enbridge continues to be a 100 percent owner of  
23 Eddystone Rail Company, ERC, the only -- the  
24 only -- I mean the only existing asset, if you can  
25 call it that, of ERC is this lawsuit; is that

1 right?

2 A. That's correct.

3 Q. Okay. I mean isn't that the only reason  
4 ERC continues to exist today is it's sold all of  
5 its assets, it's no longer operating, it exists for  
6 the sole and exclusive purpose of bringing this  
7 lawsuit; right?

8 A. I believe so.

9 Q. Okay. Are there any other instances  
10 that you can think of where -- where Enbridge  
11 invested in a project and then subsequently  
12 divested itself of the project? In fact, let me --  
13 let me be more clear. In this particular case,  
14 Enbridge actually took a pretty significant hit  
15 when it sold this facility to -- to Canopy, didn't  
16 it?

17 A. Yes, it did.

18 Q. I mean Enbridge put \$160 million in this  
19 facility to build it; right?

20 MR. AGUSTI: Objection.

21 A. I'm not exactly sure what the final  
22 number was, but we put a significant amount of  
23 capital into the project.

24 Q. MR. FIELDING: And then it sold the  
25 facility in effect for a net cash of about two and

1 a half million dollars; right?

2 MR. AGUSTI: Objection, assumes  
3 facts not in evidence, misstates prior evidence.

4 A. I believe we have a deal in place with  
5 Canopy that would pay us close to \$5 million at the  
6 end of the day.

7 Q. MR. FIELDING: Right, but that \$5  
8 million, but -- but part of that deal was that  
9 Canopy would keep two and a half million dollars of  
10 cash that were Eddystone's accounts; right?

11 A. That's correct, I believe so.

12 Q. So it's a net two and a half million  
13 dollar payment to Enbridge maybe at some point in  
14 time 'cause it's paid out over time; right?

15 A. That's correct.

16 Q. Okay. And that's the basic terms of the  
17 deal, wasn't it?

18 A. I believe so.

19 Q. So has there been any other instances  
20 where -- where Enbridge invested in a project,  
21 market turned against them, and then it realized  
22 "We've just got to divest ourselves of this and  
23 take -- take the loss"?

24 A. The one project that I am familiar with  
25 or that I'm familiar with is the Sandpiper project



1 the LLC; right?

2 MR. AGUSTI: Objection, assumes  
3 facts not in evidence, lack of foundation.

4 A. I don't know.

5 Q. MR. FIELDING: Well --

6 A. I don't know how they set up the  
7 special -- I know how we set up the special purpose  
8 entity, i.e. the names.

9 Q. Right.

10 A. But I don't know behind the scenes what  
11 they do in terms of their ownership structure.

12 Q. Well, you understand that those special  
13 purpose entities that are owned and operated,  
14 they're wholly owned by Enbridge; right?

15 MR. AGUSTI: Objection, asked --

16 Q. MR. FIELDING: For instance, the  
17 entity here that signed the -- the entity, the  
18 special purpose entity created for the purpose of  
19 the Eddystone Rail Terminal, LLC, that Enbridge  
20 entity was called Enbridge Rail (Philadelphia),  
21 LLC; right?

22 MR. AGUSTI: Objection, compound  
23 question.

24 A. I understand that Enbridge Rail  
25 (Philadelphia), LLC, was set up for the purpose of

1 holding this investment.

2 Q. MR. FIELDING: And that's a wholly  
3 owned subsidiary of Enbridge; right?

4 MR. AGUSTI: Objection.

5 Q. MR. FIELDING: Enbridge is the only  
6 owner of Enbridge Rail (Philadelphia), LLC; right?

7 MR. AGUSTI: Objection, vague.

8 A. I believe so.

9 Q. MR. FIELDING: And again, that  
10 means in this particular instance, if a creditor  
11 of -- if a creditor of ERC wasn't paid for some  
12 reason, that -- Eddystone Rail Company's an LLC;  
13 right?

14 A. That's correct.

15 Q. A limited liability company; right?

16 A. That's right.

17 Q. And the two shareholders of Eddystone  
18 Rail, LLC, are Enbridge Rail (Philadelphia), LLC,  
19 and Canopy Prospecting Inc.; correct?

20 A. That's correct.

21 Q. Okay. And Enbridge Rail (Philadelphia),  
22 LLC, is a special purpose entity that Enbridge  
23 created to own its share of Eddystone Rail;  
24 correct?

25 A. Yeah, absolutely.

1 Q. Page 18?

2 A. I see that, yes.

3 Q. And the party to this agreement is BTS,  
4 Bridger Transfer Services; correct?

5 A. Yes, I see that, Bridger Transfer  
6 Services, LLC.

7 Q. It's not Bridger Logistics; correct?

8 A. That's correct.

9 Q. And again, you understood, I mean in  
10 your experience when -- when you do these deals,  
11 you understand the consequences associated with the  
12 party that you actually contract with; right?

13 A. Yes.

14 Q. Because that party is the one that you  
15 looked to with respect to your rights and  
16 obligations; fair?

17 MR. AGUSTI: Objection, asked and  
18 answered.

19 A. Yes.

20 Q. MR. FIELDING: In this case, the  
21 party that ERC looks to with respect to its rights  
22 and obligations under agreement is Bridger Transfer  
23 Services; correct?

24 A. Yes.

25 Q. If -- if Eddystone Rail had wanted

1 they complained about our loading rates, as well,  
2 which were above the contract, which met their  
3 vessel that they brought in.

4 So with the benefit again of  
5 hindsight, I believe they were complaining so that  
6 they would have an excuse not to put up the  
7 financial assurances.

8 Q. MS. HARTLEY: Were you the lead  
9 from the Enbridge side negotiating the ultimate  
10 deal between Enbridge and Canopy that got  
11 consummated in October of 2017?

12 A. Yes.

13 Q. Who else from the Enbridge side was  
14 involved in those negotiations?

15 A. Myself, I believe Chris McGlincey was  
16 also participant, Bryan Boaz. I believe Morgan  
17 Keith would have been involved, as well.

18 Q. Now, once we get through this, I'm going  
19 to walk through a time permitting some additional  
20 efforts to sell the facility in prior years, but  
21 fair to say that you'd gotten a number of offers  
22 over the years to acquire the facility well over a  
23 hundred million dollars?

24 A. There were a number of offers, yes.

25 Q. Up to I believe around \$160 million or

1           A.    No, I don't believe so.  
2                   EXHIBIT 78 - Document entitled  
3                   "Redemption and Asset Transfer  
4                   Agreement by and among Canopy  
5                   Prospecting, Eddystone Rail  
6                   Company, Canopy Principals, and  
7                   Enbridge US Inc."

8           Q.    MS. HARTLEY:       Now, you have in  
9   front of you Exhibit 78?

10          A.    Mm-hmm.

11          Q.    Which is the Redemption and Asset  
12   Transfer Agreement by and among Canopy Prospecting,  
13   Eddystone Rail Company, Canopy Principals, and  
14   Enbridge US Inc.?

15               MR. AGUSTI:           Counsel, are you  
16   sure that's 78?

17               MS. HARTLEY:        Sorry?

18               MR. McGLINCEY:       This is 78, isn't  
19   it?

20               MR. AGUSTI:           This is 78.

21          A.    I think so.

22               MS. HARTLEY:        Yes.

23               MR. AGUSTI:           No, I apologize.

24               MS. HARTLEY:        Perfect.

25               MR. AGUSTI:           I'm losing track.

1 Q. MS. HARTLEY: Fair enough, it's  
2 late in the day. And this is dated October 19th,  
3 2017; right?

4 A. Yes.

5 Q. And so had the default not happened in  
6 early 2016, had Jamex Transfer Services continued  
7 to pay, this redemption and asset transfer  
8 agreement would have occurred within the term of  
9 the rail services agreement; is that true?

10 A. Well, if -- if it had occurred, it's  
11 speculation. If -- if they continued to pay, if  
12 they hadn't defaulted, it could have been this --  
13 it could have been a sales to Canopy or it could  
14 have been a sale to somebody else or we could have  
15 held the asset, it's difficult to say.

16 Q. Let me -- let me be more clear on my  
17 question, then. The rail services agreement had a  
18 term that extended till sometime in 2019; is that  
19 correct?

20 A. That's correct.

21 Q. So October 19th, 2017, comes before the  
22 middle of 2019?

23 A. Yes, it does.

24 Q. Perfect. So as of the date of this  
25 redemption and asset transfer agreement, Enbridge

1 now owns full rights in Eddystone Rail Company;  
2 correct?

3 A. I believe that's correct.

4 Q. However, it has no right to use the  
5 Eddystone Rail facility?

6 A. That's correct, nor do we have any of  
7 the obligations associated with the Eddystone Rail  
8 facility.

9 Q. Canopy has the rights to the Exelon  
10 lease at the Eddystone Rail facility now, doesn't  
11 it?

12 A. That's correct.

13 Q. Now, as of the date of this agreement,  
14 had there been any discussion of holding out to try  
15 and get a higher value for Enbridge's interest in  
16 the Eddystone Rail Company?

17 MR. AGUSTI: Objection.

18 A. As of the date of this agreement or up  
19 to the point of this agreement?

20 Q. MS. HARTLEY: Up to this point?

21 A. Prior to reaching agreement with Canopy  
22 on how the structure of the deal and the sale was  
23 going to be and the agreement around price,  
24 etcetera, I mean if that deal had fallen through,  
25 we would have looked potentially to others or

1 Certificate of Transcript

2

3 I, the undersigned, hereby certify that the  
4 foregoing pages 1 to 453 are a complete and  
5 accurate transcript of the proceedings taken down  
6 by me in shorthand and transcribed from my  
7 shorthand notes to the best of my skill and  
8 ability.

9 Dated at the City of Calgary,  
10 Province of Alberta, this 3rd day of December,  
11 2018.

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17 Deanna M. DiPaolo, CSR(A)

18 Official Court Reporter

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